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From: Guatemala City, Guatemala

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Source Cryptonym: SHINGLE

References:

Source, Operational Data, and Comments:

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

Source: Stephen R. LUGTON from SHINGLE from the following:

- Paras 1, 2 - Coffee import and export executive with good government contacts.
- " 3,4,5 - Private pilot who obtained information from the chief of civil aviation and also from a mechanic in the Aero Club de Guatemala.
- " 6 - Editor of El Espectador.
- " 7 - Businessman who has good political contacts.
- " 8 - Engineer in the Ministry of Communications and Public Works.
- " 9 - Same as 1 and 2.
- " 10 - Businessman with political contacts from the owner of Radio Ciro's who overheard the conversation in a restaurant.
- " 11 - Guatemalan businessman with good political contacts.

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Subject: Miscellaneous Political  
Activity

Report No: HGG-423

Date of Information: 20 December 1953 -  
5 January 1954

Place Acquired: Guatemala City

Date Acquired: 8 January 1954

Evaluation: As indicated

Date of Report: 15 January 1954

Source: Individual with excellent contacts in political, economic and government circles.

1. Available information indicates that Lic. Eugenio SILVA Peña<sup>1</sup> was called in by President ARBENZ and offered the post of Minister of Foreign Relations. SILVA did not accept. (C-3)
2. It has been reported that all the public employees in the Oficina Central de Café have requested an immediate raise in salary. If this is not satisfactorily resolved, they threaten to declare a general strike. (C-3)
3. Current reports indicate that the government of Guatemala has negotiated for the purchase of 15 P-51 aircraft from the U.S. The name of the person negotiating the transaction was not given. (C-4)
4. It has been reported that all private and official Guatemalan air fields, especially those on the south coast, are being watched. According to the report, air patrols make searches from coast to coast along the border every day at different altitudes. The area around the port of San José is being given special attention. (C-3)
5. Available information indicates that campesinos are making an armed attack on almost all the privately owned fincas in the Department of Escuintla. The leaders of the movement and some of the campesinos are carrying modern weapons, including pistols and sub-machine guns. It is believed that this movement is part of a plan to make a Communist stronghold of Escuintla in case of anti-government or anti-Communist uprisings. (C-3)
6. According to reports, El Espectador, Guatemalan daily newspaper, is being sabotaged by its own linotypists who receive their instructions from the communist party. The sabotage consists of making serious errors in advertisements run in the newspaper, thus requiring the paper to repeat the ad. The object of the sabotage

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appears to be to force the editor and publisher to follow a pro-government line. (C-2)

7. It has been learned that a new "obrero cristiano" party is being formed secretly. The directors of this party are said to be Eduardo ARRIOLA Ligorria, Antonio MORAN, Oscar LUNA, Horacio de CORDOVA and Domitila MERIDA, all of whom have been members of other committees in the past. The party is presently drawing up statutes and regulations and drafting a call which will be issued shortly. The success of the party is believed to be doubtful since most of the directors are fairly well known and the new party involves a change of name rather than a change in procedure. (C-3)
8. Available information indicates that there is talk within the Ministry of Communications and Public Works that Col. Carlos ALDANA Sandoval, present head of that Ministry, will be named Ambassador to the U.S. and his present position will be assumed by Oscar CASTANEDA F. In addition, Guillermo TORIELLO, currently Guatemalan Ambassador to the U.S., will return to Guatemala to become Minister of Foreign Relations, the change being made so that TORIELLO can represent Guatemala at the conference of the Organization of American States to be held in Caracas in March 1954. (C-3)
9. Bernardo ALDANA, a doctor with good government contacts, reportedly stated recently that in government circles a change in leadership is expected within the next 30 days.<sup>2</sup> According to ALDANA, Col. Carlos Enrique DIAZ, Chief of the Armed Forces, will become President; José Ángel SANCHEZ, Minister of Defense, will become Chief of the Armed Forces, and President Jacobo ARBENZ will assume the post of Minister of Defense. (C-6)
10. It has been reported that several leaders of the Confederación Campesina (probably the Confederación Nacional de Campesinos de Guatemala) have stated that they expected the "reactionaries" to enter Guatemala from Salvador and Honduras following the Caracas conference but that when they arrived they would be in for a surprise because their Confederación has a militia and troops prepared for anything in those areas. They also stated that if the troops stationed in Guatemala City left the city unguarded and went out to repel the attack, they would bring trainloads of campesinos to the capital to "do away with the reactionaries and the enemies of the government once and for all."<sup>3</sup> (C-6)
11. Available information indicates that Carlos FUENTES, who reportedly was in contact with the Comité de Estudiantes Universitarios Anti-comunistas (CEUA) in Guatemala at one time, has stated that he is preparing propaganda items to be used in connection with a meeting of labor unions scheduled to take place in Guatemala City. He is

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also said to have stated that he plans to go to Honduras to see what funds he can obtain from "those people." 4 (C-3)

1. Lic. Eugenio SILVA Peña held the post of Minister of Foreign Relations under President Juan José AREVALO.
2. Field Comment: Similar information from another source gives the reason for the change as the government's preoccupation with international public opinion toward Guatemala and the belief that such a change would improve the Guatemalan position in the eyes of the world.
3. Source comment: These men were drunk at the time and may have been boasting.
4. Source comment: "Those people" probably refers to the exiled group in Honduras. FUENTES is a man of doubtful loyalty and not to be trusted.

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